CAFTA FACTS

CAFTA Cannot Shield Textile Manufacturers From Chinese Dumping

Prepared by the Office of Congressman Sherrod Brown

Proponents claim the Central America Free Trade Agreement (CAFTA) will protect American and Central American textile manufacturers facing an onslaught of cheap goods from China. In fact, CAFTA will do little if anything to mitigate the unfair advantages China's oppressive labor policies provide.

The U.S.-based National Council of Textile Organizations (NCTO) recently confirmed that, when it joined the World Trade Organization and was released from quota control, China's apparel exports increased by an alarming 546%. NCTO also reported that China is exporting apparel at 76% below U.S. producer prices and 58% below the prices of other exporting countries. As NCTO detailed, on some particular apparel products, China's exports increased an astounding 1,800% in just one year.

Since the quotas were dropped in January of this year, 17,000 U.S. textile jobs have already been lost—because of China. CAFTA will not stop this flood.

To give lawmakers a carrot, the administration announced recently it would launch a 90-day study of the impact of Chinese textile imports on American manufacturers.

But Americans need more than inadequate stop-gaps to effectively reverse China's damage to the U.S. economy.

Instead of a study confirming what millions of American workers already know, the administration should fight for trade policies that save American manufacturing jobs. It's like watching a patient bleeding to death and deliberating over what kind of band-aid to apply.

A China problem requires a China solution. The only real protection against Chinese dumping for textile manufacturers is real reform of China's abusive labor and economic policies. CAFTA offers no more protection against that onslaught than an umbrella provides against an anvil.